

Memorandum of Agreement – March 23, 2005

In order to continue to provide the highest level of service to all residents of the City of Tallahassee and Leon County, and to ensure the continuation of these services without interruption, the undersigned to this document have agreed to work cooperatively to avoid disputes and to the extent that disputes arise in relation to these contracts the parties agree to binding arbitration thereto and to pursue the implementation of the following:

A. Parks and Recreation:

1. The City and County agree to a fifteen year extension to the existing Parks and Recreation Agreement, including the authorization for the City to increase the water and sewer surcharge to fifty percent (the surcharge in total will generate approximately \$1.5 million annually).

2. For fiscal years beginning October 1, 2005 and October 1, 2006, the County agrees to pay an additional \$200,000, over their current \$640,000 annual payment, for a total annual payment of \$840,000. For the balance of the term, the County agrees to increase the payment by 4.25% annually.

B. Fire Services:

1. The County agrees effective October 1, 2005 to provide \$1.0 million annually for the balance of the term of the existing Fire Services Agreement. For any partial year of this agreement, the \$1.0 million will be pro-rated accordingly.
2. The City and County agree to extend the existing termination date for a period of six months.

C. EMS/ALS Agreement:

The City and County agree to extend the existing termination date for a period of six months.

D. Water and Sewer Agreement:

The County agrees to grant the City an exclusive water and/or sewer franchise, where ever possible, to all currently unserved or nonfranchised areas in the unincorporated area. The County shall determine to the extent possible where a franchise can be offered to the City where an existing exclusive franchise already exists, and in such case the County will award the City the franchise.

E. Killearn Lakes Units I & II:

1. The County agrees to grant the City the sewer franchise to the City for all portions of Killearn Lakes Units I & II currently not franchised or served by existing sewer.
2. The City agrees that once the County completes a sewer system in KL I & II, the City will be available to provide sewer service to all residents desiring to connect to the system.

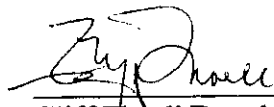
3. Any resident with a failed septic system will be required to connect to the sewer system.
4. The County shall not issue any permits for new construction unless the structure is connected to the sewer system.
5. Any resident desiring to connect to the sewer system can do so at any time that service is available and that no resident will be required to connect unless as required above.
6. The County agrees to establish a special assessment district for KL I & II for the purpose of providing a mechanism for collection of all annual fees.
7. The County agrees that the City can levy a customer charge ("the readiness to serve charge") for all residents in KL I & II.
8. The City agrees to waive the tap-fee for all residents that connect to the sewer system for the first two years.
9. All residents that connect to the system will be required to pay the systems charge.
10. The City agrees to provide financing for any equipment, systems charges, etc. the homeowner is required to pay for their individual lot under terms and condition consistent with City policy at a rate no higher than being charged any other City customer.

F. Transfer Station:

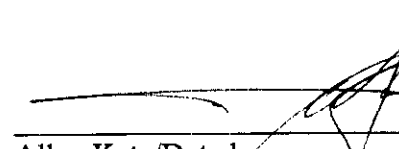
All rate caps associated with the Operating Fee and the Household Hazardous Waste Program (HHWP Fee) shall be eliminated. The County will not charge the City a rate any higher than the lowest rate charged to any other customer.

G. Completion of Process:

It is the intention of both parties to pursue the creation of specific agreements implementing the above points within 30 days of signing. If the final agreements are not approved by the respective governments by May 16, 2005, then this memorandum of understanding has no standing.

 3.23.05

Cliff Thael/Dated
Chairman, Leon County
Board of County Commissioners

 4/23/05

Allan Katz/Dated
Commissioner, City of Tallahassee